

July 2015

## Bourbon County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

A total of 18 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Bourbon County economy.<sup>1</sup> These 18 sectors have a total direct output of approximately \$129 million and support 1,106.4 jobs in Bourbon County. Running the model for all 18 sectors simultaneously produces the following results:

**Agriculture Contribution in Bourbon County**

Impact Type <sup>2</sup>	Employment	% of Total Employment	Total Value Added <sup>3</sup>	% of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	% of Gross Regional Product
Direct Effect	1,106.4	12%	\$50,875,849	8%	\$128,957,746	21%
Indirect Effect	319.6	3%	\$19,603,214	3%	\$38,501,986	6%
Induced Effect	134.7	1%	\$9,445,434	2%	\$16,179,039	3%
Total Effect	1,560.7	17%	\$79,924,497	13%	\$183,638,771	31%

As shown in the above table, agriculture, food, and food processing supports 1,560.7 jobs, or 17% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$184 million, roughly 31% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 18 agriculture, food, and food processing sectors is approximately \$80 million, or 13% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 13% of the total economy.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:  
[https://implan.com/index.php?option=com\\_content&view=category&id=19](https://implan.com/index.php?option=com_content&view=category&id=19)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value Added = Labor Income + Indirect Business Taxes + Other Property Type Income

<sup>4</sup> GRP = Final Demand of Households + Governments Expenditures + Capital + Exports - Imports - Institutional Sales

<sup>5</sup> Output = Intermediate Inputs + Value Added

In the top ten by employment, Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming is the top employer in the agriculture industry with 548.5 employees. This table also shows the amount of jobs that are created by the agriculture industry in Bourbon County.

#### Top 10 Industries Affected by Employment

Sector Description:	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	548.5	\$68,274,349
All other crop farming.....	269.6	\$16,435,736
Commercial hunting and trapping.....	167.1	\$7,811,826
Dairy cattle and milk production .....	101.6	\$9,090,773
Wholesale trade.....	44.2	\$8,564,826
Food product machinery manufacturing.....	41.6	\$10,923,253
Grain farming .....	37.2	\$6,255,041
Support activities for agriculture and forestry .....	33.3	\$2,099,871
Veterinary services .....	23.2	\$1,359,237
Animal, except poultry, slaughtering.....	22.1	\$12,896,831

The Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming industry directly contributes approximately \$68 million to Bourbon County's economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

#### Top 10 Industries Affected by Output

Sector Description:	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	548.5	\$68,274,349
All other crop farming.....	269.6	\$16,435,736
Animal, except poultry, slaughtering.....	22.1	\$12,896,831
Food product machinery manufacturing.....	41.6	\$10,923,253
Oilseed farming .....	9.1	\$9,484,034
Dairy cattle and milk production .....	101.6	\$9,090,773
Wholesale trade.....	44.2	\$8,564,826
Commercial hunting and trapping.....	167.1	\$7,811,826
Grain farming .....	37.2	\$6,255,041
Owner-occupied dwellings .....	0.0	\$2,942,139

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture sector and the output they contributed to Bourbon County's economy.

[illegible]

All 105 counties in Kansas have IMPLAN models with an agriculture contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Kansas, the retail sector was omitted.